

Developing onshore gas in the NT – post Inquiry

Hydraulic Fracturing
in the Northern Territory



Alister Trier
Chief Executive
Department of Primary Industry and Resources

- Government accepted all 135 of the Inquiry's recommendations in April 2018.
- Implementation plan released 17 July 2018.
- Teams established in key Departments:
 - **Dept of the Chief Minister:** Hydraulic Fracturing Inquiry Implementation Team – Hayley Richards
 - **Dept of Primary Industry and Resources:** Onshore Gas Development – James Pratt
 - **Dept of Environment and Natural Resources:** Onshore Gas Reform – Christopher Shaw

Breakdown of 135 Recommendations by each Department

- Primary Industry and Resources – 55
- Chief Minister - 35
- Environment and Natural Resources - 23
- Trade Business and Innovation - 12
- Infrastructure Planning and Logistics - 6
- Treasury and Finance - 3
- Aboriginal Areas Protection Authority - 1

135 Recommendations = Change.

- Change to the way government and industry has operated for petroleum exploration/production in the NT.
- Change in response to community expectations and the Inquiry.
 - Legislation
 - Regulations
 - Policy
 - Environmental, Social and Cultural assessment
 - Planning
 - Consultation
 - Procurement

Pre-exploration Recommendations

- Table 16.1 details 31 recommendations that must be completed prior to environment management plans (drilling of petroleum wells and hydraulic fracturing) could be considered.
- These have been the concerted focus from June 2018 through to now by the three implementation groups.

Amending legislation

- *Petroleum Act* – Judicial Review and Fit and Proper Person Test.

Being debated in Parliament today

- *Petroleum (Environment) Regulations*. Amended Dec 2018.
 - publishing EMPs for drilling/fracking for public comment
 - Considering cumulative impacts
 - Publishing reportable and recordable incidents
 - Publishing hydraulic fracturing fluid composition, flowback and produced water

Amending legislation

Water Act - changes completed Nov 2018

- Removed exemption for mining and petroleum activities - they now require water licences and permits to take water.

Environment Protection Authority Act - Changes completed Nov 2018

- enable appointment of two new members of the EPA Board to have expertise for assessing petroleum matters and to provide advice to Minister.
- enable EPA Board to provide advice to any Minister about any proposed plan, program or other measure for managing the environment.

Separation of responsibilities

- Establishing a separation between the Department responsible for regulating environmental impacts and risks and the Department responsible for promoting the industry.
- Transfer of the Administrative Arrangement Orders to give the Minister for Environment the authority to make decisions under the *Petroleum (Environment) Regulations* and the Environmental Offences under the *Petroleum Act*.

Pre-exploration Recommendations

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- Baseline environmental monitoring (methane, water and weeds).
- Developing Codes of Practice for Well Operations, Surface Activities, Wastewater Management and Methane Emissions.
- Compliance and Monitoring Strategy.
- Reserved Blocks (no go zones).

Stage 3 Recommendations - Key priorities 2019

- Statutory Land Access Agreements
- SREBA Development (social, cultural, enviro and economic)
- Cost recovery model
- Local Business Development and Employment
 - Territory Benefit Policy and preparing business for industry.
 - Engagement with Universities for research and skills training
- Planning for industry: wastewater treatment facilities, service hub facilities, transport corridors, pipelines etc.

What's next....

- Industry prepares Environment Management Plans – expected to be lodged within the next 4 weeks.
- **On ground activity recommences in 2019** (drilling, hydraulic fracturing, seismic survey).
- Balance of recommendations (approx. 90) to be completed by 2021- prior to production licences being granted.

www.hydraulicfracturing.nt.gov.au